



House of Representatives

File No. 906

General Assembly

January Session, 2015

(Reprint of File No. 524)

Substitute House Bill No. 6653
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 28, 2015

***AN ACT CONCERNING MUNICIPAL NOTICE PROVISIONS, BLIGHT
LIENS AND VOTING REQUIREMENTS FOR ESTABLISHING A
DISTRICT TO MAINTAIN WATER QUALITY.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) Whenever a municipality
2 issues a written warning or citation for violation of a municipal
3 ordinance concerning real property, such municipality shall, if the
4 property is encumbered by a mortgage that secures a loan, make
5 reasonable efforts to send notice of such warning or citation, by
6 certified mail, return receipt requested, to the mortgage lender for such
7 property. Such notice shall describe the violation and specify the date
8 on which such violation occurred.

9 Sec. 2. Section 7-148aa of the general statutes is repealed and the
10 following is substituted in lieu thereof (*Effective October 1, 2015*):

11 (a) Any unpaid penalty imposed by a municipality pursuant to the
12 provisions of an ordinance regulating blight, adopted pursuant to
13 subparagraph (H)(xv) of subdivision (7) of subsection (c) of section 7-

14 148, shall constitute a lien upon the real estate against which the
15 penalty was imposed from the date of such penalty.

16 (b) Any unpaid penalty described in subsection (a) of this section
17 may be secured by a lien placed upon any interest in any one-to-six
18 family residential real property in the same municipality owned by the
19 same person or entity that owns the real estate on which a lien is
20 placed pursuant to subsection (a) of this section. Such penalty shall
21 constitute a lien upon such other parcel of real property from the date
22 of recordation of the lien on the land records of such municipality.

23 (c) Each such lien may be continued, recorded and released in the
24 manner provided by the general statutes for continuing, recording and
25 releasing property tax liens. Each such lien arising pursuant to
26 subsection (a) of this section shall take precedence over all other liens
27 filed after July 1, 1997, and encumbrances except taxes and may be
28 enforced in the same manner as property tax liens.

29 Sec. 3. Subsection (b) of section 7-148ii of the general statutes is
30 repealed and the following is substituted in lieu thereof (*Effective*
31 *October 1, 2015*):

32 (b) Registration made pursuant to subsection (a) of this section shall
33 contain (1) the name, address, telephone number and electronic mail
34 address of the plaintiff in the foreclosure action and, if such plaintiff is
35 an entity or an individual who resides out-of-state, the name, address,
36 telephone number and electronic mail address of a direct contact in the
37 state, provided such a direct contact is available; (2) the name, address,
38 telephone number and electronic mail address of the person, local
39 property maintenance company, local property manager or other
40 entity serving as such plaintiff's contact with the municipality for any
41 matters concerning the residential property; and (3) the following
42 heading in at least ten-point boldface capital letters: NOTICE TO
43 MUNICIPALITY: REGISTRATION OF PROPERTY BEING
44 FORECLOSED. The plaintiff in the foreclosure action shall indicate on
45 such registration whether it prefers to be contacted by first class mail

46 or electronic mail and the preferred addresses for such
47 communications. Such plaintiff shall report to the town clerk of the
48 municipality in which the property is located, by mail or other form of
49 delivery, any change in the information provided on the registration
50 not later than thirty days following the date of the change of
51 information. At the time of registration, such plaintiff shall pay a land
52 record filing fee to the municipality as specified in section 7-34a.

53 Sec. 4. Section 7-325 of the general statutes is repealed and the
54 following is substituted in lieu thereof (*Effective October 1, 2015*):

55 (a) Upon the petition of fifteen or more voters, as defined by section
56 7-6, of any town, specifying the limits of a proposed district for any or
57 all of the purposes set forth in section 7-326, the selectmen of such
58 town shall call a meeting of the voters residing or, in the case of a
59 proposed district to maintain water quality in a lake, residing or
60 owning property within such specified limits to act upon such petition,
61 which meeting shall be held at such place within such town and such
62 hour as the selectmen designate, within thirty days after such petition
63 has been received by such selectmen. Such limits shall contain only
64 contiguous property, except any proposed district which is proposed
65 to be established only to plan, lay out, acquire, construct, reconstruct,
66 repair, maintain, operate and regulate the use of a community water
67 system or to construct and maintain drains and sewers or both and
68 which does not exercise any of the other powers enumerated in section
69 7-326, may contain noncontiguous properties if the properties
70 proposed to be included are, or are to be, served by a common water
71 or sewer main. Such meeting shall be called by publication of a written
72 notice of the same, signed by the selectmen, at least fourteen days
73 before the time fixed for such meeting in two successive issues of some
74 newspaper published or circulated in such town. Not later than
75 twenty-four hours before such meeting, (1) two hundred or more
76 voters or ten per cent of the total number of voters, whichever is less,
77 may petition the selectmen in writing for a referendum, or (2) the
78 selectmen in their discretion may order a referendum, on the sole
79 question of whether the proposed district should be established. Any

80 such referendum shall be held not less than seven nor more than
81 fourteen days after the receipt of such petition or the date of such
82 order, on a day to be set by the selectmen for a vote by paper ballots or
83 by a "yes" or "no" vote on the voting machines, during the hours
84 between twelve o'clock noon and eight o'clock p.m.; except that any
85 town may, by vote of its selectmen, provide for an earlier hour for
86 opening the polls but not earlier than six o'clock a.m., notwithstanding
87 the provisions of any special act to the contrary. If two-thirds of the
88 voters, or, in the case of a proposed district to maintain water quality
89 in a lake, a majority of voters, casting votes in such referendum vote in
90 favor of establishing the proposed district, the selectmen shall
91 reconvene such meeting not later than seven days after the day on
92 which the referendum is held. Upon approval of the petition for the
93 proposed district by two-thirds of the voters present at such meeting,
94 or if a referendum is held, upon the reconvening of such meeting after
95 the referendum, the voters may name the district and, upon the vote of
96 a majority of such voters, choose necessary officers therefor to hold
97 office until the first annual meeting thereof; and the district shall, upon
98 the filing of the first report required pursuant to subsection (c) of this
99 section, thereupon be a body corporate and politic and have the
100 powers, not inconsistent with the general statutes, in relation to the
101 objects for which it was established, that are necessary for the
102 accomplishment of such objects, including the power to lay and collect
103 taxes. The clerk of such district shall cause its name and a description
104 of its territorial limits and of any additions that may be made thereto to
105 be recorded in the land records of each town in which such district is
106 located.

107 (b) Any district may enlarge or reduce its territorial limits if the
108 board of directors of the district approves a resolution proposing such
109 an enlargement or reduction and stating the proposed boundaries of
110 the area proposed to be included or excluded, as the case may be,
111 provided: (1) The board of directors of the district shall call a meeting
112 of voters of the area proposed to be included or excluded, which
113 meeting shall be held within thirty days of the board of directors'

114 approval of such resolution and shall be called by publication of a
115 written notice of the same, signed by the members of the board of
116 directors of the district, at least fourteen days before the time fixed for
117 such meeting in two successive issues of some newspaper published or
118 circulated in such town, provided not later than twenty-four hours
119 before any such meeting, two hundred or more such voters or ten per
120 cent of the total number of such voters, whichever is less, may petition
121 the clerk of the district, in writing, that a referendum on the question
122 of whether the area proposed to be included or excluded should join or
123 leave the district be held in the manner provided in section 7-327; (2) a
124 two-thirds majority of the voters of the area proposed to be included or
125 excluded in attendance at such meeting, or, if a referendum is held,
126 two-thirds of such voters casting votes in such referendum, vote in
127 favor of joining or leaving such district; (3) that any area to be added is
128 contiguous with some portion of the existing district; [.] and (4) if the
129 enlargement of the territorial limits of the district will overlap the
130 territorial limits of another district within the town, the legislative
131 body of the town approves such enlargement. If any district enlarges
132 or reduces its territorial limits, the clerk of such district shall notify the
133 town clerk of each town affected by such enlargement or reduction
134 within thirty days after the vote.

135 (c) The clerk of each district created pursuant to this chapter or any
136 provisions of the general statutes or any special act, shall report to the
137 town clerk of each town in which such district is located: (1) If created
138 by approval of a petition pursuant to subsection (a) of this section on
139 or after July 1, 1987, within seven days of such approval; and (2) on or
140 before July 31, 1993, and annually thereafter for each such district,
141 irrespective of the date of creation. The first report filed after the
142 creation of a district shall include a list of the officers of such district, a
143 copy of the charter or special act of such district and such other
144 information on the organization and the financial status of such district
145 as the Secretary of the Office of Policy and Management may
146 recommend. A copy of the charter or special act of such district shall
147 be included in any subsequent report if such charter or special act was

148 amended after the date of the previous filing. No district, irrespective
149 of the date of creation, created by approval of a petition pursuant to
150 subsection (a) of this section shall exist as a body corporate and politic
151 until the clerk of such district has filed at least one report required by
152 this subsection. If a district is located in more than one town, the report
153 shall be filed by the district clerk with the town clerk of each town in
154 which the district is located.

155 (d) Any fine imposed on and after July 1, 1992, on a clerk for failure
156 to file a report required pursuant to subsection (c) of this section shall
157 be waived.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</i>	7-148aa
Sec. 3	<i>October 1, 2015</i>	7-148ii(b)
Sec. 4	<i>October 1, 2015</i>	7-325

Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</i>	7-148aa
Sec. 3	<i>October 1, 2015</i>	7-148ii(b)
Sec. 4	<i>October 1, 2015</i>	7-325

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
All Municipalities	Revenue Gain	Potential	Potential
All Municipalities	Cost	Less than \$1,000	Less than \$1,000

Explanation

The bill 1) requires municipalities to mail notice of violation of an ordinance, in certain circumstances; 2) allows municipalities to place blight liens on any one-to-six-family, residential property owned by a property owner in such municipality; 3) makes changes regarding who can participate in elections to create special taxing districts or lake improvement districts.

There is a cost, estimated to be less than \$1,000, associated with printing and mailing violation notices. This cost is at least partially offset by any revenue gain resulting from blight liens on any real property.

The provisions regarding special taxing districts and lake improvement districts have no fiscal impact.

House "A" limits the type of property a municipality can place blight liens on, resulting in the above identified fiscal impact. House "A" also makes changes regarding who may vote in elections for lake association districts, which has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 6653 (as amended by House "A")******AN ACT CONCERNING MUNICIPAL NOTICE PROVISIONS,
BLIGHT LIENS AND VOTING REQUIREMENTS FOR
ESTABLISHING A DISTRICT TO MAINTAIN WATER QUALITY.*****SUMMARY:**

This bill authorizes municipalities to place liens ("blight liens") on any interest in a one-to-six family residential property in the same municipality owned by a property owner who is responsible for unpaid blight fines. Under the bill, such liens are effective from the date they are recorded on the land records. Under current law, municipalities can only place a lien for unpaid blight fines on the blighted property. By law, unchanged by the bill, fines for blight liens constitute a lien on the blighted property from the date the fine is imposed. Blight liens (1) take precedence over all other liens filed after July 1, 1997 and encumbrances, except taxes, and (2) may be enforced like property tax liens.

The bill requires municipalities, whenever they issue a written warning or citation for an ordinance violation concerning real property, to make reasonable efforts to send notice of such warning or citation to the property's mortgage lender, if the property is mortgaged. The notice must (1) be sent by certified, return receipt requested mail and (2) describe the violation and date when it occurred.

Additionally, the bill makes it easier to create a special taxing district to maintain water quality in a lake by allowing (1) a simple majority of voters, rather than a two-thirds majority as required under current law, to approve its creation through a referendum and (2) nonresident property owners, rather than only district residents as

under current law, to vote at the meeting held to act on whether to create a district.

Lastly, existing law requires plaintiffs in a foreclosure action to provide to the municipality, in which the property in foreclosure is located, the name and contact information of the person, local property maintenance company, or other entity serving as the plaintiff's contact with the municipality for matters concerning the property. The bill specifies that the plaintiff must provide the name and contact information of the local property manager if he or she is serving as the plaintiff's contact with the municipality.

*House Amendment "A" (1) limits the properties upon which a municipality can place a lien for blight violations occurring on another property to interests in one-to-six family residential properties within the same municipality, rather than any real property in any municipality in the state, as was the case in the underlying bill; (2) specifies that these liens are effective only after being recorded on the land record; and (3) authorizes nonresident property owners to vote at a meeting to create a water quality district.

EFFECTIVE DATE: October 1, 2015

BACKGROUND

Blight Fines and Liens

By law, municipalities may (1) adopt and enforce regulations to prevent and remediate housing blight and (2) establish fines for violations of such regulations (CGS § 7-148(c)(7)(H)(xv)). Before taking any enforcement action, municipalities must give written notice of a violation to the property's owner and occupant and provide them with a reasonable opportunity to remediate the conditions. Municipalities that issue fines for blight violations must also establish a citation hearing procedure (CGS § 7-152c). If a property owner fails to pay fines, the law allows the municipality to place a lien on the blighted property (CGS § 7-148aa).

Forming Special Taxing Districts

The residents of an area within a municipality can form a special taxing district to perform a number of services, including providing police and fire protection and water services, regulating land uses, and enforcing the building code (CGS §§ 7-324 to 7-329). The statutes specify the process for forming a special taxing district. Residents of the proposed district may establish a district either at a special meeting called for that purpose or through a referendum.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 10 Nay 9 (03/20/2015)

Judiciary Committee

Joint Favorable

Yea 25 Nay 19 (05/05/2015)